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December 5, 2006

FILED ELECTRONICALLY AND ORIGINAL VIA 1ST CLASS MAIL SERVICE

The Honorable Charles L.A. Terreni
Chief Clerk
South Carolina Public Service Commission
Post Office Drawer 11649
Columbia, South Carolina 29211

RE: Application of NextG Networks of NY, Inc. for a Certificate of Public Convenience and Necessity to Provide Resold and Facilities-Based Local Exchange and Interexchange Telecommunications Services in the State of South Carolina and For Flexible Regulation
Docket No. 2006-305-C, Our File No. 1219-11391

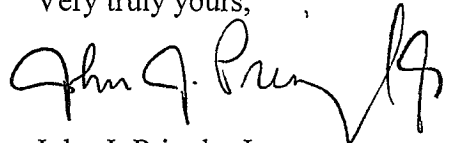
Dear Mr. Terreni:

Enclosed is the original and one (1) copy of the **Pre-Filed Testimony of Robert L. Delsman** for filing in the above-referenced docket.

Please acknowledge your receipt of this document by file-stamping the copy of this letter enclosed, and returning it in the enclosed envelope.

If you have any questions or need additional information, please do not hesitate to contact me.

Very truly yours,



John J. Pringle, Jr.

JJP/cr

cc: Nanette S. Edwards, Esquire
Margaret Fox, Esquire
Mr. Robert Delsman
T. Scott Thompson, Esquire

Enclosures

THIS DOCUMENT IS AN EXACT DUPLICATE OF THE E-FILED COPY SUBMITTED TO THE COMMISSION IN ACCORDANCE WITH ITS ELECTRONIC FILING INSTRUCTIONS.

**BEFORE THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2006-305-C**

In Re Application of)
)
NEXTG NETWORKS OF NY, INC.)
)
For a Certificate of Public Convenience)
And Necessity to Provide Resold and)
Facilities-Based Local Exchange and)
Interexchange Telecommunications)
Services Within the State of South)
Carolina and for Flexible Regulation)

Direct Testimony of Robert L. Delsman

1 **Q. Please state your name, business address and title.**

2 A. My name is Robert L. Delsman, and my business address is 2216 O'Toole Avenue,
3 San Jose, California, 95131. My title is Vice President, Government Relations and
4 Regulatory Affairs of NextG Networks, Inc., which is the parent company of the
5 Applicant in the above-captioned matter, NextG Networks of NY, Inc. ("NextG").

6 **Q. Please state your qualifications.**

7 A. In my role as Vice President, Government Relations & Regulatory Affairs for NextG, I
8 have personal knowledge of the telecommunications services provided by NextG,
9 NextG's equipment and network, and of their legal and regulatory status. I have been an
10 attorney in the telecommunications industry for 10 years, including being an attorney for
11 Metricom, Inc. from 1996 to 2001. As a result of my duties in my positions, I have had
12 personal experience and knowledge with requirements imposed by local governments for
13 access to public rights-of-way by telecommunications providers in hundreds of
14 communities around the country.

15 **Q. What is the purpose of your testimony?**

1 A. The purpose of my testimony is to present evidence describing the technical, managerial,
2 and financial fitness of NextG to provide resold and facilities-based local exchange and
3 interexchange telecommunications service within the State of South Carolina. This
4 testimony will also describe the service to be provided by NextG. Finally, my testimony
5 will show that the public interest will be served by the approval of NextG's Application.

6 **Q. Are all of the statements in NextG's Application correct and true to the best of your**
7 **knowledge, information and belief?**

8 A. Yes.

9 **Q. Do you wish to incorporate by reference any documents into this testimony?**

10 A. Yes. I wish to incorporate, by reference, NextG's underlying Application filed in this
11 proceeding and its associated exhibits.

12 **Q. Do you ratify and confirm the statements and representations made in that**
13 **Application and all Exhibits attached thereto?**

14 A. Yes.

15 **Q. Has Applicant registered to do business in South Carolina?**

16 A. Yes. NextG received foreign corporation authority in South Carolina on August 15,
17 2006. A copy was attached as Exhibit A to the Application.

18 **Q. Has anything occurred since the Application of NextG Networks of NY, Inc. was**
19 **filed on October 2, 2006 that materially changes the representations therein?**

20 A. No.

21 **Q. Please describe the current corporate structure of NextG.**

22 A. NextG Networks of NY, Inc. is a wholly owned subsidiary of NextG Networks, Inc., a
23 Delaware corporation with principal place of business in California. NextG Networks,

1 Inc., through its wholly-owned subsidiaries, owns and operates telecommunications
2 facilities for the provision of its "RF transport" telecommunications service. There are a
3 total of four wholly-owned regional subsidiaries: NextG Networks Atlantic, Inc.; NextG
4 Networks of California, Inc.; NextG Networks of Illinois, Inc.; and NextG Networks of
5 NY, Inc.

6 **Q. Does NextG have the requisite managerial, technical and financial abilities to**
7 **provide the service for which it applied?**

8 A. Yes.

9 **Q. Please describe Applicant's financial abilities.**

10 A. NextG is a privately-held, cash flow positive corporate entity. NextG Networks of NY,
11 Inc. will rely, in large part, upon the financial resources of its parent company, NextG
12 Networks, Inc., to provide its services in the State of South Carolina. NextG Networks of
13 NY, through its parent, has sufficient capital on hand to commence operations in the State
14 of South Carolina and the company has access to additional capital financing as may be
15 needed to sustain future growth and expansion. NextG's business plan calls for the
16 Company to provide its RF transport services based upon direct customer demand.
17 Under this plan, revenue from customers will be readily identified prior to any extensive
18 outlay of capital.

19 **Q. Please describe the technical and managerial qualifications of NextG.**

20 A. NextG's management team includes individuals with substantive experience in
21 successfully developing and operating telecommunications business. Consequentially,
22 the Company has the adequate internal technical resources to support its South Carolina
23 operations. Specific details of the business and technical experience of NextG's officers

1 and management personnel were attached to the Application as Exhibit D. Together, the
2 NextG Networks technical and managerial team has over 150 combined years of
3 experience in improving wireless coverage and capacity.

4 **Q. What services will NextG offer?**

5 A. NextG will offer transport of voice and data signals via fiber optic lines, initially focused
6 on serving wireless providers. NextG's "RF transport services" use fiber optic
7 technology, including multi-wavelength optical technology over dedicated transport
8 facilities, to provide telecommunications companies with more efficient transport and
9 greater overall network service options. RF transport services connect wireless capacity
10 equipment to bi-directional, RF-to-optical conversion equipment at a hub facility. The
11 hub facility can be customer or NextG-provided. The conversion equipment will allow
12 NextG to accept RF traffic from the customer and then send bi-directional traffic
13 transmission across the appropriate optical networks. At the remote end, NextG or the
14 customer company will provide RF-to-optical conversion equipment to allow bi-
15 directional conversion between optical signals and RF signals. RF signals can be
16 received and radiated at this remote node by the customer company.

17 **Q. Does NextG intend to offer prepaid debit card services in South Carolina?**

18 A. Not at this time. NextG is aware of the Commission's \$5,000 bond or certificate of
19 deposit requirement associated with prepaid debit card services, and will file such an
20 instrument with the Commission should NextG decide to offer these services in the
21 future.

22 **Q. How will Applicant bill for its services?**

1 A. NextG's customers will be billed according to individual case basis contracts negotiated
2 with each customer. NextG's customers typically are providers of retail wireless
3 telecommunications services (also known as Commercial Mobile Radio Services
4 "CMRS" providers, cellular, or Personal Communications Services "PSC" providers).

5 **Q. How are trouble reports and customer complaints handled?**

6 A. NextG has a toll-free number available for its customers. NextG's toll-free customer
7 service number is 1-866-44-NEXTG (63984). Customers may contact NextG 24 hours
8 per day, seven days per week.

9 **Q. Does NextG have offices in South Carolina?**

10 A. No. NextG does not intend to have offices in South Carolina at this time. Accordingly,
11 NextG requests, pursuant to Rule 103-610, that the Commission allow it to keep all
12 applicable books and records at its offices in California. In the event that the
13 Commission or ORS should desire to inspect such books and records, NextG will provide
14 access expeditiously at its own expense.

15 **Q. Does NextG intend to publish telephone directories or file an operating area map**
16 **with the Commission?**

17 A. No. NextG does not intend to offer any form of voice service at this time. Accordingly,
18 NextG requests a waiver of Commission Rule 103-631. Because NextG will operate
19 within the existing service areas of the existing incumbent local exchange carriers
20 ("ILECs"), NextG requests that it not be required to create and file any such operating
21 area map as required by Commission Rule.

22 **Q. By what method will NextG keep its financial records?**

1 A. NextG uses Generally Accepted Accounting Principles ("GAAP"). To the extent that the
2 Commission's Rules require the use of the Uniform System of Accounts ("USOA"),
3 NextG requests a waiver in order that GAAP be allowed.

4 **Q. How will NextG market its services?**

5 A. NextG will market its services through a direct sales team that focuses on government
6 and carrier markets. As stated above, NextG's customers typically are "carrier's carriers"
7 that provide retail wireless telecommunications services.

8 **Q. Has NextG obtained authority to provide its services in any other states?**

9 A. Yes. NextG Networks of NY, Inc. is authorized to provide service in Connecticut,
10 Florida, Georgia, Indiana, Massachusetts, New Jersey, New York, North Carolina, Ohio,
11 and Pennsylvania. Affiliates of NextG, through its parent company, have also been
12 granted authority to provide service in Arizona, California, Colorado, the District of
13 Columbia, Idaho, Illinois, Louisiana, Maryland, Michigan, Minnesota, Missouri, Nevada,
14 Oregon, Texas, Utah, Virginia, Washington and Wisconsin.

15 **Q. Please describe the proposed tariff filed by NextG.**

16 A. NextG filed as Exhibit E of its Application the proposed tariff for NextG's RF transport
17 service. The tariff contains the applicable rules and regulations for the provision of such
18 service. I believe that NextG's tariff will comport with all applicable Commission Rules
19 and Orders, and NextG agrees to make all changes suggested by the ORS that may be
20 necessary to comply with applicable authority.

21 **Q. Will NextG provide any equipment or facilities in connection with its services?**

22 A. Yes, NextG's network requires the use of certain RF equipment, which may be either
23 customer or NextG-owned. Generally, NextG's telecommunications service involves

1 handing off a communication signal at locations called "nodes." A typical "node" in
2 NextG's network is located on a utility or a street light pole, and includes a small, low-
3 power antenna. In addition, the node will include equipment for the conversion of RF
4 signals to optical signals, fiber optic lines, and associated equipment, such as power
5 supplies, all of which is owned or leased by NextG. From the initial node hand off,
6 NextG then transports the communication through NextG's fiber optic network, to a
7 distant point. The distant point is typically, but not always, a congregation point for
8 NextG's communications called a "Base Station." The Base Station is a central location
9 that contains various equipment, which may include such things as routers, switches, and
10 signal conversion equipment. The Base Station is typically installed in a building located
11 on private property. In the most typical scenario, at the Base Station, NextG hands the
12 communication signal back to its customer. The customer may then route the
13 communication to another location using its own equipment, or the communication may
14 be re-routed back out NextG's network to another "node." Alternatively, the
15 communications signal may be interconnected with the public telephone network. If the
16 communication is routed back out to another node, at the remote node location, the
17 optical signal is again converted back into a radio signal and delivered to another small
18 antenna for broadcast by NextG's customer. The RF-to-optical conversion is done by a
19 small unit located near the remote antenna.

20 **Q. Will granting a Certificate serve the public interest of South Carolina consumers?**

21 A. A decision by the Commission to grant NextG authority to provide local exchange and
22 interexchange telecommunications service is in the best interest. The public interest will
23 be served by expanding the availability of competitive telecommunications services and

1 enhanced telecommunications infrastructure in the State of South Carolina, thereby
2 facilitating economic development. Authorizing NextG to enter the telecommunications
3 service market will increase the competitive choices available, and in turn create
4 incentives for all carriers to lower prices, provide new and better quality services, and be
5 more responsive to customer issues and demands.

6 **Q. Who is knowledgeable about NextG's operations and will serve as the**
7 **Commission's/ORS's regulatory and customer service contact?**

8 A. All ongoing compliance matters should be directed to my attention. Customer complaint
9 and billing matters should be directed to Anthony Rodriguez, Regulatory and Contracts
10 Specialist, NextG Networks, Inc., 2216 O'Toole Ave., San Jose, CA 95131, Telephone:
11 (408) 954-1580, Facsimile: (408) 383-5397, Email: arodriguez@nextgnetworks.net.

12 **Q. What regulatory treatment has NextG sought in connection with this Docket?**

13 A. NextG requests flexible regulation for its local exchange telecommunications services as
14 the Commission first granted in Order No. 98-165 in Docket No. 97-467-C.

15 **Q. Will NextG comply with all of the applicable rules, regulations and orders of the**
16 **Commission?**

17 A. Yes.

18 **Q. Does this conclude your testimony?**

19 A. Yes.

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CERTIFICATE OF SERVICE

This is to certify that I have caused to be served this day, one (1) copy of the **Pre-Filed Testimony of Robert L. Delsman** via electronic mail service and by placing a copy of same in the care and custody of the United States Postal Service (unless otherwise specified), with proper first-class postage affixed hereto and addressed as follows:

Margaret Fox, Esquire
McNair Law Firm, PA
PO Box 11390
Columbia SC 29211



Carol Roof
Paralegal

December 5, 2006
Columbia, South Carolina